GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5089
ANSWERED ON:20.12.2002
BUDGET DEFICIT
VSM (RETD.) COL. CHOUDHARY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the total budget deficit of Union Government and States hasincreased from Rs. 87,244 crores in 1996-97 to Rs. 2,26,678 crore during 2001-02;

(b) if so, whether the revenue deficit during the above period has risen from Rs. 48,768 crores to Rs. 1,51,152 crores;

(c) if so, the reasons thereof; and

(d) the action taken/proposed to be taken by the Government to reduce/plug such huge budget deficit in Union Government and States?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (c) Yes, Sir, gross fiscal deficit and revenue deficit have increased due to increase in plan and non-plan expenditure outpacing the increase in revenue receipts.

(d) The Central Government has been following the strategy of fiscal rectitude as outlinedin Union Budget 2002-03, which aims at higher tax revenues, improved non-tax receipts and modernisation in the growth of non-plan expenditure, so as to reduce the deficit. The Central Government has also been working jointly with the State Governments to reduce the deficit of the State Governments.